ABC NIGHTLINE 20 November 1984

KOPPEL: Good evening. I'm Ted Koppel, and this is Nightline. he sees himself as the ultimate Arab leader. He has supported international terrorism. He's underwritten political assassination. And he's engaged in a frantic effort to buy his own nuclear bomb. Libya's Moammar Khadafy, how much longer will the rest of the world put up with him?

* * * * * * * *

DUNSMORE: However complex Khadafy's personality, analysts are unanimous that

is driven by a single-minded ambition. He wants the mantle of former Egyptian President Nasser. He wants to reunite and lead the Arab world. It has been

greatest frustration that he comes from a tiny country of some 3 million people and therefore has no legitimate power base. ROBERT KUPPERMAN (Center for Strategic and International Studies): He's a one-man source of tyranny, with a comparatively small following that is willing to violate all of the international norms of decency and who somehow has maintained a high degree of personal charisma and zealousness upon the part of his followers.

DUNSMORE: Most of his escapades, however egregious, can be seen as attempts to make himself important. He has dispatched hit squads to assassinate President Reagan and former Secretary of State Haig. He has mined the Suez Canal. He

made war on the Sudan. And he has eliminated untold numbers of his opponents within and outside of Libya. The latest incident in Egypt would be, for him, only a minor setback. If you take a map of the world and then paint red every country where Khadafy has supported terrorist groups, tried to overthrow the government, sent in hit squads to assassinate political leaders or tried to

a political union, the map will be redder than during the hevday of the British empire. There are rather more important reasons for the British to dislike Khadafy. In April, a man inside the Libyan People's Bureau here in London fired

on a crowd of demonstrators, killing a policewoman. After the shooting and siege here at the People's Bureau, many Britons were asking the old questions, 'Why do we put up with Khadafy? Why not cut off all ties and isolate him?' And back came the same old answer, 'Well, Khadafy may be bad politics, but he is good business.' There's no question that Khadafy's oil money has created a tolerance for his behavior, which would otherwise not exist. Britain broke relations but continues to trade with Libya. France stood up to Khadafy in the civil war in Chad, but President Mitterrand's critics say he was out-maneuvered by Khadafy into a premature withdrawal from Chad because the French want to resume arms sales to Libya. Even the United States, despite all the public hand-wringing, still does business with Libya. One thousand Americans continue to work there, and U.S. oil companies continue to make millions. Ironically, parts of the Arab world believe Khadafy survives because he is a creature of the

CIA. In this view, said to be held by senior Saudi Arabian officials, Khadafy is useful because he could give the U.S. access to his Soviet weaponry, and he is a divisive force in the Arab world. Actually, the greatest concern for Washington is the possibility that Khadafy might get his hands on nuclear

Continued